REMARKS

Claims 1-6, 11-15, 18, 22-27, and 29-49 are presently pending, of which Claims 34-43 are withdrawn from consideration.

Rejection under 35 U.S.C. § 102(e)

The Examiner rejected Claims 44 and 46-48 under 35 U.S.C. § 102(e) as being anticipated by Benson *et al.* (U.S. Patent 6,287,670).

Independent Claim 44 has been amended to recite that each chip has a length less than about 457 micrometers. Support for this limitation is found at least at page 14, lines 14-15 and Claim 32 of the originally filed patent application. No new matter has been added.

It is respectfully submitted that Benson et al. fail to teach this limitation. Benson et al. disclose retroreflective cube corner sheeting that includes a body layer that has a structured surface comprising recessed faces that form cube corner cavities. The recessed faces have a high specular reflectivity to permit retroreflection of incident light. As understood from the specification of Benson et al. and generally in the art of retroreflection, the term "sheeting" refers to a structure that is relatively broad and typically thin compared to its breadth.

There is no teaching or suggestion in Benson et al. of forming "retroreflective chips" that have a length less than about 457 micrometers. One advantage of the chips having sufficiently small dimensions is that the chips can be mixed with various coatings or resins, or encapsulated between two outer films. See, for example, page 3, lines 22-26 of the originally filed application. These applications are simply not possible with the sheeting disclosed in Benson et al.

Accordingly, the rejection is believed to be overcome.

Rejection under 35 U.S.C. § 103(a)

The Examiner rejected Claims 32 and 33 under 35 U.S.C. § 103(a) as being unpatentable over Benson et al.

Independent Claim 32 recites a retroreflective chip that includes a structure having a plurality of open-faced cube-corner surfaces formed therein, wherein the structure has a length less than about 457 micrometers. For the reasons discussed above, it is again respectfully submitted that Benson *et al.* do not teach or suggest a structure having a length less than about 457 micrometers.

Accordingly, the rejection is respectfully traversed.

The Examiner indicated that dependent Claim 33 was also rejected as being unpatentable over Benson *et al.* Since Claim 33 contains limitations similar to those of Claim 45, which has been only objected to by the Examiner, it is believed that Claim 33 distinguishes over Benson *et al.* More particularly, Claim 33 recites second open-faced cube-corner surfaces which oppose the first open-faced cube-corner surfaces. This limitation is not taught or suggested by Benson *et al.*

Allowable Subject Matter

The Examiner is thanked for the allowance of Claims 1-6, 11-15, 18, 22-27, 29-31, and 49.

The Examiner objected to Claim 45 as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all the limitations of the base claims and any intervening claims.

It is respectfully submitted that Claim 45 depends from an allowable claim.

CONCLUSION

In view of the above amendments and remarks, it is believed that all claims are in condition for allowance, and it is respectfully requested that the application be passed to issue. If the Examiner believes that a telephone conference would expedite prosecution of this case, the Examiner is invited to call the undersigned.

Respectfully submitted,

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Dated: February 19, 2004

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